

FISCAL NOTE

SB 757 - HB 1022

February 22, 2001

SUMMARY OF BILL: Requires every school system to establish at least one alternative school or classroom area for students who have been suspended or expelled in grades one through six. Present law requires at least one alternative school be established for students in grades 7-12. Alternative schools for grades 1-6 are optional.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* - Exceeds \$1,000,000

Estimate assumes:

- Such increased expenditures will depend on the number of additional alternative schools that will be required under the provisions of the bill.
- The BEP formula already contains an alternative school component which funds each system at \$2.47 per total K-12 ADM plus \$20.74 per ADM in grades 7-12. Currently, this generates a statewide total of approximately \$10.2 million in the BEP formula for LEAs.
- A 1998 Office of Education Accountability survey indicated that alternative schools were costing approximately \$22 million; therefore, school systems are already taking funding from other sources, or providing the additional funds locally.
- In 1999-00 there were 166 students expelled and 22,525 students suspended in grades 1-6. If 22,525 students are suspended for at least one day, local government expenditures will increase significantly.
- At present, the average cost per placement for alternative schools is approximately \$6,000. Assuming that alternative schools for grades 1-6 could be provided at the same cost per student, local government expenditures are estimated to increase in an amount exceeding \$800,000. (Assumes some of the children may already be in a 1-6 alternative school.)
- Some systems may have very few or no children in this age group who would be suspended or expelled, which would result in a greater cost per child if a system was required to provide a teacher, classroom, etc. for one or two children.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style with a large initial 'J' and 'D'.

James A. Davenport, Executive Director